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CONFIDENTIAL.

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FURTHER CORRESPONDENCE

RESPECTING THE

REVISION OF THE COMMERCIAL TREATIES

BETWEEN

GREAT BRITAIN AND TURKEY.

[In continuation of Confidential Paper No. 6503.]

1894–96.

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CONFIDENTIAL.

Further Correspondence respecting the Revision of the Commercial Treaties between Great Britain and Turkey.

[In continuation of Confidential Paper No. 6503.]

No. 1.

Foreign Office to Acting Consul-General Wrench.

(No. 1. Commercial.)

Foreign Office, January 6, 1894.

Sir,

I AM directed by the Earl of Rosebery to transmit herewith two printed copies of the Ottoman Tariff proposed to be applied to Great Britain in the form in which it stood down to the 11th March, 1891.

I am to request you to be good enough to make in one of these copies any changes or alterations that may be necessary to make it complete down to the date of the 31st December last, and to return it to this Department at your early convenience.

I am, &c.

(Signed) EDWARD GREY.

No. 2.

Acting Consul-General Wrench to the Earl of Rosebery.—(*Received February* 5.)

(No. 3. Commercial.)

Constantinople, January 22, 1894.

My Lord,

I HAVE had the honour to receive Sir Edward Grey's despatch No. 1, Commercial, of the 6th instant, inclosing two copies of the Ottoman Unified Tariff in the form in which it stood down to the 11th March, 1891, and desiring me to make any changes or alterations that may be necessary to make it complete down to the 31st December last.

In reply, I have the honour to inform your Lordship that no modifications have been made in the Tariff since March 1891.

I have, &c.

(Signed) WILLIAM H. WRENCH.

No. 3.

Sir P. Currie to the Earl of Kimberley.—(*Received June* 4.)

(No. 42. Commercial. Confidential.)

Constantinople, May 30, 1894.

My Lord,

THE Italian Ambassador and the Austrian Chargé d'Affaires have informed me within the last few days that the Turkish Government have of their own accord yielded the points which still remained unsettled between them in regard to the Commercial Treaty negotiations.

I inclose statements which I have received from the two Embassies on the subject.

I understand that neither Embassy is inclined to hurry on the negotiations more than is necessary, and the Italian Ambassador informs me that he has told the Porte that Italy will only sign a Commercial Treaty after Great Britain has done so.

I understand that the French and Russians have received no communication similar to that made to the Austrians and Italians, neither has any been addressed to me.

I learn, however, that it is likely that Her Majesty's Government may be approached through Rustem Pasha, and may be urged to send Mr. Law to Constantinople to resume negotiations.

I would venture to suggest that, in the event of such a suggestion being made, it should not be encouraged, and that Her Majesty's Government should, as far as possible, wait until all the other Powers have negotiated. They would then be in a position to make their consent to the resumption of negotiations conditional on the settlement of some of the questions which have been so long pending between the two Governments, and the satisfactory arrangement of which has been a matter of so much difficulty.

I may add that Mr. Wrench has pointed out that the proposed Treaties stipulated for a revision of Tariffs at intervals of five years, and that, as a period of nine years has passed since our Tariff was drawn up, and prices of manufactured goods have fallen since that time, in some cases as much as 20 per cent., the Tariffs ought to be revised before the signature of a Treaty.

I have, &c.
(Signed) PHILIP CURRIE.

Inclosure 1 in No. 3.

Memorandum communicated by the Austrian Embassy at Constantinople.

THE following is the mode of settlement accepted both by the Porte and the Austrian Delegates of the points hitherto at issue between the two Governments:—

1. Communication du Règlement concernant l'exportation des articles ayant déjà payé la dîme.
2. Pas d'octroi sur les articles Austro-Hongrois sans entente préalable.
3. Maintien du *statu quo* pour les colis postaux arrivant par la poste Autrichienne jusqu'à une entente sur la question des postes, entente au sujet de laquelle pourparlers sont en cours.
4. Mention par échange de notes que les arrangements existant au dehors des anciens Traités sont maintenus en tant qu'ils ne sont pas en désaccord avec le nouveau Traité.

There are still some questions of detail to arrange, notably that of the communication of a "Règlement Douanier" acceptable to Austria.

Inclosure 2 in No. 3.

Memorandum communicated by the Italian Embassy at Constantinople.

LES Délégués Ottomans proposent:—

1. Un échange de notes constatant que la Sublime Porte n'entend pas interpréter le préambule du Traité avec l'Italie dans un sens dérogatoire aux arrangements existants en dehors des anciens Traités en tant que ces arrangements ne sont pas en contradiction avec les stipulations du Traité qui doit entrer en vigueur.
2. Présence de l'autorité Consulaire Italienne à bord des bâtiments en cas de visite ou de perquisition de la part des employés de la Douane.
3. Déclaration de Douane semblable à l'Article XIX du Traité Turco-Allemand.
4. Abolition des taxes maritimes et intérieures existantes lors de l'entrée en vigueur du Traité Italo-Turc.

No. 4.

The Earl of Kimberley to Sir P. Currie.

(No. 41. Commercial. Confidential.)
Foreign Office, June 7, 1894.

Sir,

I HAVE received your Excellency's despatch No. 42 of the 30th ultimo on the subject of the Commercial Treaty negotiations with Turkey, and I concur in your view that Her Majesty's Government should, as far as possible, wait until all the Powers have negotiated.

I am, &c.
(Signed) KIMBERLEY.

No. 5.

The Earl of Kimberley to Sir P. Currie.

(No. 56. Commercial.)
Foreign Office, July 19, 1894.

Sir,

IN continuation of my predecessor's despatch to Sir C. Ford No. 6, Commercial, of the 9th February, 1893, I transmit herewith, for the use of Her Majesty's Embassy, copies of printed correspondence down to the end of 1893 respecting the commercial negotiations between Great Britain and Turkey.*

I am, &c.
(Signed) KIMBERLEY.

No. 6.

Sir P. Currie to the Earl of Kimberley.—(Received July 28.)

(Commercial.)
(Telegraphic.) P.
Constantinople, July 28, 1894.

THE Foreign Office have asked Mr. Wrench to call there on Wednesday to confer on question of Treaty of Commerce. I have told him to reserve any answer, and that he is merely to hear what they have to say.

No. 7.

Sir P. Currie to the Earl of Kimberley.—(Received August 3.)

(Commercial.)
(Telegraphic.) P.
Constantinople, August 2, 1894.

WITH reference to my telegram of the 28th July, yesterday Mr. Wrench had an interview with Bedros Effendi and the Under-Secretary of State. A hope was expressed by them that the few points unsettled with England might be successfully arranged, now that the new Commercial Treaty has been virtually completed with France and Austria, and nearly so with Italy. Mr. Wrench asked the Ottoman Delegate, after some desultory conversation as to these points, to communicate all that had been done since last meeting, in April 1893, with the other Powers. He agreed to this.

I am informed by the French Ambassador that his Treaty was finished some days ago, and that it contained satisfactory Articles in regard to taxation of French citizens in Turkey, maintenance of Capitulations, and pilotage dues.

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* Confidential No. 6503.

No. 8.

Sir P. Currie to the Marquess of Salisbury.—(Received January 27.)

(No. 4. Commercial.)

Constantinople, January 22, 1896.

My Lord,

THE Ministers of Foreign Affairs and Commerce called here a few days ago, and, as I was confined to my bed and unable to see them, left a message to say that they were visiting the various Embassies in order to impress on them the present critical state of Ottoman finance, and to beg them to ask permission of their Governments to enter into negotiations with the Sublime Porte as to the latter's right to establish a monopoly or surtaxe on alcohol in the same way as Article XVIII of the Treaty of Commerce, signed *ad referendum*, allows monopolies on matches, cigarette paper, and petroleum.

Your Lordship is aware that Her Majesty's Government do not admit the right of the Porte to establish monopolies on these last-named products at present, and hold that no Article of the new Treaty of Commerce is binding until they have confirmed and ratified the whole of its stipulations.

I requested Mr. Wrench, Commercial Attaché to this Embassy, to call upon the Austrian Ambassador, who represents the community which has the largest interest in the trade in spirits, and to inquire what answer his Excellency intended to return to this communication, and I have now the honour to inclose Memoranda by him respecting his conversation with Baron Calice and the general question of the Porte's right to establish monopolies.

The question of a surtaxe on alcohol was raised in April 1894 by a suggestion made by Mr. V. Caillard, and Lord Kimberley then stated that Her Majesty's Government could not take the initiative in consenting to the proposal in question (No. 26, Commercial, of the 10th April, 1894). In view of this declaration and the language of my Austrian colleague, as reported by Mr. Wrench, I do not propose to take any further action in the matter.

I have, &c.

(Signed) PHILIP CURRIE.

Inclosure 1 in No. 8.

Memorandum.

(Confidential.)

ACCORDING to your Excellency's instructions, I called to-day upon the Austrian Ambassador with reference to the recent visit of the Ottoman Ministers of Foreign Affairs and of Commerce, made for the purpose of soliciting the support of the Powers in favour of the establishment of monopolies.

Baron de Calice informed me that these Ministers called on Thursday last upon the Ambassadors of Austria, France, and Germany, and upon Friday upon those of England, Italy, and Russia.

Although they made it the principal object of the interview to plead for the consent of Austria to the establishment of a Régie for spirits, yet they desired also approval for the erection of monopolies upon matches, cigarette paper, playing cards, and petroleum.

The project with regard to alcohol is evidently the one most forward in the negotiations with foreign capitalists, and, Baron de Calice explained, consists in all spirits, native and foreign, passing through the manipulation of an Administration before being sold to the public. This Administration would rectify all spirits, and for this purpose would possess establishments all over the Empire. The Ministers argued that the public health would benefit were no adulterated spirit sold in Turkey, and that the State revenues would be augmented, although the charge or tax imposed on the alcohol would be infinitesimal.

The Ambassador, however, gave them no encouragement. He considered that the question of monopolies properly belonged to the Commercial Treaties, and should be treated in the negotiations for a new Treaty, and not otherwise.

It had hitherto been so treated, and the views of the Austro-Hungarian Government had been made known some years ago to the Ottoman Delegates. But even were his Excellency now disposed to recommend the present demand to his Government, many months would elapse before any reply could be received, for the question would have to be

reconsidered by the proper Departments in both Austria and Hungary; but, he added, he was not so disposed. He was averse to all monopolies in Turkey. Look, said he, to the Régie des Tabacs [*sic*], for instance. Its creation has increased rather than diminished our communications with the Porte, which now in any dispute refers us to the Régie instead of treating with us as formerly. Its surplus capital has not been employed for the benefit of either the producer or consumer of tobacco, but has been diverted to the formation and financing of subsidiary Companies, such as the Société du Tombac and the "Régie Export Company." His Excellency most decidedly objects to the trade in spirits being made over to a Company after the experience gained by the Régie's mode of operations. He finds, also, objections to making over any article of European manufacture to a European Company. If this Company were French, and there are rumours that the Porte is in negotiation with a French group of financiers, it is likely that Austrian and Russian alcohols would be placed at a disadvantage under some excuse or other in order to favour French produce. As the question of the public health has been brought forward, it is possible that the Company might advance far in a field so wide as to decide that no spirits but those made from grapes, such as Ottoman and French spirits, were wholesome. In any case, in the Austrian Ambassador's opinion, a foreign Company could never be impartial towards all sources of importation, and would possess and certainly make use of large vexatory powers.

I annex for your Excellency's information a Table showing the various "out-taxes" and monopolies demanded by the Porte accorded by Germany, and accepted to a certain extent *ad referendum* by the Delegates of the other Powers in the negotiations for a new Treaty of Commerce, which have dragged on since 1886.

(Signed) W. WRENCH.

Inclosure 2 in No. 8.

GERMAN Treaty with Turkey, signed August 20, 1890.

The German Treaty allowed "surtaxes" on—

	Austria.	England.	France.	Italy.	Russia.
Les vins	6	..	..	6 (excepté les vins fins.)	8
Les spiritueux	6	..	7	6	8
Les papiers de cigarettes	..	..	..	6	8
Le sucre	..	..	..	6	8
Le café	6	..	7	6	..
La farine	..	..	..	6	..
Les animaux	6	..	..	6	8
Les combustibles	6	..	7 Bois à brûler et charbon de bois.		
Les cartes à jouer	..	..		6	8
Les fruits et légumes	6	..		..	8

The German Treaty also allowed monopolies on—

	Austria.	England.	France.	Italy.	Russia.
Les allumettes	..	..	..	..	..
Les cartes à jouer	..	..	..	..	..
Les papiers à cigarettes	18	18	18	17	18
Le pétrole	18	18	..	17	..

The numbers indicate the Articles of the new draft Treaty of Commerce signed *ad referendum* by the negotiating Delegates, *e.g.*, Austria 6 refers to the VIth Article of the Austrian draft Treaty.

(Signed) W. WRENCH.

No. 9.

Foreign Office to Board of Trade.

Sir, *Foreign Office, February* 1, 1896.

I AM directed by the Marquess of Salisbury to transmit to you, to be laid before the Board of Trade, the inclosed copy of a despatch from Her Majesty's Ambassador at Constantinople relating to the wish of the Ottoman Government to establish a monopoly of the sale of spirits.*

Lord Salisbury proposes, with their Lordships' concurrence, to approve Sir P. Currie's intention of taking no further action in the matter at present.

I am, &c.
(Signed) GEORGE N. CURZON.

No. 10.

The Marquess of Salisbury to Sir P. Currie.

(No. 5 A. Commercial.)

Sir, *Foreign Office, February* 5, 1896.

COSTAKI PASHA spoke to me this afternoon with regard to the disordered condition of the Turkish finances. His Excellency said that the Sultan was specially anxious to remedy the present state of affairs, and that for this purpose His Imperial Majesty desired to enter upon negotiations for creating, with due consideration for the interests of foreign trade, a monopoly of alcohol, petroleum, and some other articles.

Costaki Pasha urged that your Excellency should be authorized to enter into negotiations with the Turkish Government.

I think it is desirable that your Excellency, for the present at least, should regulate your action upon that of your Austrian colleague.

I am, &c.
(Signed) SALISBURY.

No. 11.

Board of Trade to Foreign Office.—(Received February 8.)

Sir, *Board of Trade, London, February* 7, 1896.

I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 1st instant, with its inclosures, on the subject of the desire of the Ottoman Government to establish a monopoly on the sale of spirits, and I am to state, in reply, that the Board quite concur in Lord Salisbury's proposal to approve Sir P. Currie's intention of taking no further action in the matter at present.

I am, &c.
(Signed) R. GIFFEN.

No. 12.

The Marquess of Salisbury to Sir P. Currie.

(No. 10. Commercial.)

Sir, *Foreign Office, February* 17, 1896.

THE Italian Ambassador at this Court has inquired as to the intentions of Her Majesty's Government in regard to the proposed new monopolies in Turkey, and I have informed his Excellency that you will take no definite step in the matter without consulting your Italian as well as your Austro-Hungarian colleague. I have therefore to request your Excellency to observe this undertaking, and to report to me the result of such consultation before taking action thereon.

I am, &c.
(Signed) SALISBURY.

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* No. 8.

No. 13.

Sir P. Currie to the Marquess of Salisbury.—(Received April 27.)

(No. 24. Commercial.)

My Lord, *Pera, April* 18, 1896.

WITH reference to your Lordship's despatch No. 16,* Commercial, of the 5th March, 1895, I have the honour to inform your Lordship that it is proposed shortly to resume the negotiations for the conclusion of a Commercial Treaty, and that Selim Effendi Melhamé, Minister of Mines and Forests, and Bertram Effendi, Under-Secretary at the Customs Administration, and Nouri Bey, Secretary-General of the Ministry for Foreign Affairs, have been appointed Turkish Delegates.

The chief object of the Porte in proposing the resumption of negotiations is to obtain the consent of the foreign Missions to the establishment of certain monopolies on foreign articles of import, which would furnish them with new sources of revenue on which loans could be raised.

I inclose a copy of a Report on the subject by Mr. Wrench.

I propose, unless otherwise instructed by your Lordship, to give no encouragement to the Porte's proposals.

I have, &c.
(Signed) PHILIP CURRIE.

Inclosure in No. 13.

Memorandum.

(Confidential.)

I HAVE learnt from Mr. Block that the Porte intends to propose to Her Majesty's Government the resumption of commercial negotiations.

Apart from any exception that Her Majesty's Government may see fit to take with regard to the appointment of Selim Effendi Melhamé, I would venture to point out that there appear to me to be certain objections to the renewal of commercial negotiations.

These negotiations were commenced in 1886, and were followed in a more or less consecutive manner until July 1894, when the last meeting was held. During these eight years the Turkish Delegates have been informed over and over again that Her Majesty's Government will not accept certain conditions proposed by the Porte. All the questions in suspense have been thoroughly thrashed out, and there remains really nothing further to submit to negotiation. On the other hand, if the desire of the Porte to increase its revenues is the avowed motive for their wish to recommence the discussions and conclude a Commercial Convention, I would point out that Sir W. White suggested to the Porte about the year 1888 that if they wished to increase their revenue they should propose a Convention of one Article, conferring most-favoured-nation treatment on British commerce, to which Convention the new Tariff might be annexed.

A further condition was mentioned to the effect that, according to their own showing, the new Tariff could not be enforced until the Turkish Government had erected in all the principal ports of import suitable bonded warehouses, had trained their staff, and had provided themselves with the proper weighing and other instruments necessitated by the application of the new Tariff.

These conditions are no more fulfilled to-day than they were then, and several years would elapse, even if the building of bonded warehouses was commenced now, before they could be completed in all the principal ports. I therefore venture to suggest to your Excellency that the proposal about to be made might be met in the way indicated above.

(Signed) WILLIAM H. WRENCH.

Constantinople, April 20, 1896.

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* A printed despatch sending print; no draft.

No. 14.

The Marquess of Salisbury to Sir P. Currie.

(No. 26. Commercial.)

Foreign Office, April 29, 1896.

Sir,

I HAVE received your Excellency's despatch No. 24, Commercial, of the 18th instant, reporting a proposal on the part of the Turkish Government to resume the negotiations for the conclusion of a Commercial Treaty with this country, and inclosing a Memorandum by Mr. Wrench on the previous phases of this question.

In view of the considerations therein advanced and of your Excellency's observations, I see no reason to depart from the attitude which has hitherto been adopted by Her Majesty's Government in dealing with this subject, and I therefore approve the course which you propose to take in the matter.

I am, &c.
(Signed) SALISBURY.

No. 15.

Sir P. Currie to the Marquess of Salisbury.—(Received May 12.)

(No. 34. Commercial.)

Constantinople, May 8, 1896.

My Lord,

WITH reference to my despatch No. 24, Commercial, I have the honour to inclose copies of two notes from the Sublime Porte, stating that Selim Effendi Melhamé, Nouri Bey, and Bertram Effendi have been appointed Ottoman Delegates for the negotiation of Treaties of Commerce, and requesting me to inform them of the names of the English Delegates who are to treat with them.

I asked Mr. Wrench to draft a reply to these notes, and I inclose herewith, for your Lordship's approval, the answer which he suggests.

Selim Melhamé Effendi called upon me this morning, and urged the importance of the negotiations being commenced as soon as possible. They offered, he said, the only hope of giving some relief to the severe financial pressure which exists here.

I told him that I was without instructions on the subject, but that I would apply for them. In reply to a question from me, he said that there was no idea of dealing with the monopolies otherwise than as a part of the Commercial Treaties. It appeared from his language that with the exception of the petroleum monopoly, with regard to which an agreement had been come to with Russia, they would be of the nature of "surtaxes," and would not have the effect of restricting importation from any country.

Selim Melhamé assured me that, according to the private communications that had passed between him and other Embassies, he had no reason to apprehend any serious difficulties in regard to the negotiations.

It remains to be seen whether this is the case, and, so far as Her Majesty's Government are concerned, there appears to be no reason for any unnecessary haste in commencing the negotiations.

I have, &c.
(Signed) PHILIP CURRIE.

Inclosure 1 in No. 15.

Tewfik Pasha to Sir P. Currie.

Le 20 Avril, 1896.

M. l'Ambassadeur,

J'AI l'honneur d'informer votre Excellence que par Ordonnance Impériale, leurs Excellences Sélim Effendi Melhamé, Ministre de l'Agriculture, des Mines, et Forêts, Noury Bey, Secrétaire-Général du Ministère des Affaires Étrangères, et Bertram Effendi, Mustéchar de l'Administration Générale des Contributions Indirectes, ont été nommés Délégués Ottomans en remplacement d'Artin Pasha, Sous-Secrétaire d'État au Ministère des Affaires Étrangères, et Bédros Effendi Couyoumdjian, Conseiller d'État pour les négociations de nouveaux Traités de Commerce.

Veuillez, &c.
(Signé) TEWFIK.

Inclosure 2 in No. 15.

Tewfik Pasha to Sir P. Currie.

Sublime Porte, le 30 Avril, 1896.

M. l'Ambassadeur,

FAISANT suite à ma note en date du 20 Avril, relative à la nomination des nouveaux Délégués Ottomans pour les négociations des Traités de Commerce, je viens prier votre Excellence de vouloir bien me faire connaître le plus tôt possible les noms des Délégués Anglais qui auront à s'entendre avec ceux de la Sublime Porte à cet égard.

Veuillez, &c.
(Signé) TEWFIK.

Inclosure 3 in No. 15.

Sir P. Currie to Tewfik Pasha.

Pera, May 8, 1896.

M. le Ministre,

I HAVE had the honour to receive your Excellency's note of the 30th April, asking that the names of the British Delegates for the resumption of the Treaty negotiations should be communicated to the Sublime Porte.

As your Excellency is aware, the British Delegate was one of the first to conclude the Commercial Tariff, which was completed in 1885. Since then the negotiations for a Treaty were pursued for nine years, but the negotiators were unable to come to a complete understanding. During the course of these negotiations, the British Delegates repeatedly communicated to their Ottoman colleagues the points upon which Her Majesty's Government did not consider themselves justified in making further concessions.

Your Excellency's note makes no allusion to the points in question, and contains nothing of a nature to induce Her Majesty's Government to modify their views.

I would therefore beg to be informed in what particulars the Sublime Porte is prepared to meet the wishes of Her Majesty's Government on the points at issue.

Upon receiving a communication to the above effect I should be in a position to request instructions from my Government as to the desirability of appointing Delegates as requested by your Excellency.

I avail, &c.
(Signed) PHILIP CURRIE.

No. 16.

Sir P. Currie to the Marquess of Salisbury.—(Received May 13.)

(No. 35. Commercial.)

Pera, May 7, 1896.

My Lord,

AT the Ambassadors' meeting yesterday some conversation took place with regard to the question of the renewal of the commercial negotiations which has been proposed by the Porte with the view of obtaining the consent of the Powers to the establishment of certain monopolies.

The Russian Ambassador raised the question whether it would be desirable that the monopolies should be dealt with separately, or that they should form part of the Commercial Treaties.

The duration of the latter was fixed at twenty years, and he doubted whether monopolies should last as long.

Before signing a Commercial Treaty, Russia would require a revision of the Tariff, which was agreed to seven years ago.

This would cause some delay, and would probably dispose the Porte to come to a separate agreement as to monopolies if an opportunity was given them for doing so.

The Austrian Ambassador said that Austria would also require a fresh revision of the Tariff.

With regard to monopolies, there were three in which Austria was specially interested, and to which nothing would induce her to consent; they were alcohol, playing cards, and matches. He would not, however, be unwilling to listen to a proposal for a "surtaxe" on these commodities.

The Russian Ambassador said that petroleum, in which the Russian Government was mainly interested, could only be dealt with by monopoly; it would not bear a "surtaxe."

Such a monopoly, if granted to a private Company, would enable the importation of petroleum from Russia to be largely extended, which would be profitable both to Turkey and Russia.

It was suggested that the United States might, under the most-favoured-nation clause, object to such an arrangement, by which American petroleum would be entirely excluded, but M. de Nélidow expressed his belief that, as the United States had no Commercial Treaty with Turkey, she would have no *locus standi* for raising any objection, if the Powers which had Commercial Treaties had given their consent.

The French Ambassador said that his Treaty having been negotiated only two years ago, no further revision of the Tariff would be necessary. He had attached some conditions with regard to the settlement of pending claims to the resumption of negotiations, but if they were resumed he should be prepared to treat as to monopolies, provided that the Porte gave way upon the question of the imposition of the municipal taxes upon French subjects.

I said that I was without instructions as to the resumption of negotiations, but that we should in any case require a revision of the Tariff drawn up eight years ago.

I have, &c.
(Signed) PHILIP CURRIE.

No. 17.

Sir P. Currie to the Marquess of Salisbury.—(Received May 18.)

(No. 36. Commercial.)

My Lord, *Pera, May 11, 1896.*

WITH reference to my despatch No. 35, Commercial, of the 8th May, I have the honour to call your Lordship's attention to an understanding which appears to have been come to between the Russian and Turkish Governments, whereby the former has agreed to withdraw its opposition to the establishment of a petroleum monopoly on the condition that a concession, giving the exclusive right of importing petroleum into Turkey, should be granted to a Russian Company.

Such a concession appears to be entirely at variance with the most-favoured-nation rights of other countries.

A very different position has now been created from that which existed in May 1890, when our Delegates signed, *ad referendum*, Article XVIII of the new Commercial Treaty. Russia was then strenuously opposed to a monopoly on petroleum, and the British Delegates conceded to the Porte the right to establish such a monopoly on the distinct though confidential assurance of the Ottoman Delegates, that it would be abandoned as a special concession to Russia in the same way as the monopoly on matches and playing-cards was given up as a concession to Austria. That it was so abandoned is proved by the signed XVIIIth Article of the Russian draft Treaty, in which, among the monopolies originally claimed, only "cigarette papers" are mentioned.

Under these changed circumstances, Her Majesty's Government should, in my opinion, refuse to recognize the right of the Sublime Porte to grant any monopoly for the importation and sale of petroleum, or of any other article of commerce, to any foreign subject.

Should such a concession be recorded without the previous knowledge and consent of Her Majesty's Government, the right of British subjects should be maintained directly to import and to sell, free of all restrictions, the article or product forming the object of the monopoly.

I have called the attention of the United States' Chargé d'Affaires, as representing the country most largely interested in petroleum, to the point.

I have, &c.
(Signed) PHILIP CURRIE.

No. 18.

The Marquess of Salisbury to Sir P. Currie.

(No. 31. Commercial.)

Sir, *Foreign Office, May 18, 1896.*

I HAVE received your Excellency's despatch No. 34, Commercial, of the 8th instant, inclosing copies of notes from the Porte, intimating the names of the Ottoman Delegates appointed for the negotiation of Treaties of Commerce, and requesting to be informed of the names of the British Delegates to be appointed to treat with them.

I approve the terms of the answer which you propose to return to these communications.

I am, &c.
(Signed) SALISBURY.

No. 19.

Foreign Office to Board of Trade.

Sir, *Foreign Office, May 23, 1896.*

I AM directed by the Marquess of Salisbury to transmit herewith a copy of a despatch from Her Majesty's Ambassador at Constantinople respecting an arrangement that appears to have been arrived at between the Governments of Turkey and Russia,* whereby the latter agrees to withdraw its opposition to the establishment of a petroleum monopoly on the condition that a concession, giving the exclusive right of importing petroleum into Turkey, should be granted to a Russian Company.

As at present advised, Lord Salisbury entertains some doubt as to the expediency of Her Majesty's Government taking a leading part in offering opposition to the scheme; but before addressing any instructions to Her Majesty's Representatives at Constantinople, his Lordship would be glad to receive any observations the Board of Trade may have to offer on the subject.

I am, &c.
(Signed) H. PERCY ANDERSON.

No. 20.

Mr. Herbert to the Marquess of Salisbury.—(Received May 26.)

(No. 42. Commercial.)

My Lord, *Pera, May 19, 1896.*

WITH reference to Sir P. Currie's despatch No. 36, Commercial, of the 11th instant, respecting the proposed petroleum monopoly, I have the honour to inform your Lordship that General Gevanow, Director of the Russian Steam-ship Company, and on the retired list of the Russian army, is at present in Constantinople. I am told that his visit is in connection with the new Company which is to be formed to take over the monopoly, and which will have the exclusive right of importing and selling petroleum. It is further rumoured that the royalty which would accrue to the Turkish Government will be set aside for the payment of the Russian war indemnity, thus freeing certain revenues already assigned for that purpose. M. Gevanow has just received the first class of the Order of the Medjidieh as a "well-wisher" of the Ottoman Empire.

I have, &c.
(Signed) MICHAEL H. HERBERT.

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* No. 17.

No. 21.

Board of Trade to Foreign Office.—(Received June 10.)

Sir, *Board of Trade, London, June 9, 1896.*

I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 23rd ultimo, with its inclosure, on the subject of an arrangement between the Governments of Russia and Turkey for creating a monopoly of the importation of petroleum into Turkey, and the Concession of this monopoly to a Russian Company.

In reply to your request to be furnished with the observations of this Department upon the matter referred to, I am to state that the Board concur generally in the views expressed with regard to it in Sir P. Currie's despatch of the 11th ultimo. I am to point out that, although there is no large production of mineral oil in this country for export to the East, British firms and British capital are concerned to an appreciable extent both in United States and in Russian oil undertakings, and in these ways the interests of the United Kingdom would be injuriously affected by the Concession to a single Russian Company of such a monopoly as proposed.

In addition, the Board entertain the opinion that all monopolies which prevent or restrict the freedom of international trade in commodities are objectionable in principle. They also think that a monopoly created for the purpose of being conferred by any Government upon a foreign subject or firm, in derogation of the most-favoured-nation privileges to which other subjects of that particular nation and all subjects of many other nations may be entitled, would be doubly objectionable. In the present instance, the Board are apprehensive that, in the event of the United States' Government neglecting to take exception to the proposal, other Governments less interested in the petroleum industry may not think it expedient, having regard to their own trade and internal circumstances, to offer objection. In such a case, unless some action be taken by Her Majesty's Government, a precedent will have been created, which will be bad in principle as being opposed to the full enjoyment of most-favoured-nation privileges, and calculated to have injurious effects on the commerce of the United Kingdom as the foremost trading nation.

The Board request me, therefore, to suggest, for Lord Salisbury's consideration, that it would be undesirable to forego, in connection with this matter, the most-favoured-nation privileges to which it is understood the United Kingdom is entitled in virtue of the old Capitulations. At the same time, the Board feel that his Lordship will be best able to judge whether, in view of circumstances with which this Department are not acquainted, it would be advisable to confine any action on the part of Her Majesty's Government to seconding such representations as may be made to the Porte upon the subject by the Government of the United States, or any other Power that may find its interests concerned.

I have, &c.
(Signed) R. GIFFEN.

No. 22.

The Marquess of Salisbury to Mr. Herbert.

(No. 38. Commercial.)

Sir, *Foreign Office, June 17, 1896.*

I HAVE had under my consideration, in communication with the Board of Trade, Sir P. Currie's despatch No. 36, Commercial, of the 11th ultimo, in which his Excellency calls attention to an understanding which appears to have been come to between the Russian and Turkish Governments with a view to the creation of a monopoly of the importation of petroleum into Turkey, and the Concession of this monopoly to a Russian Company.

I now transmit herewith, for your information and guidance, copy of a letter from the Board setting forth their views on the subject,* in which I entirely concur.

All monopolies which prevent or restrict the freedom of international trade are, in the opinion of Her Majesty's Government, objectionable in principle, and they consider any monopoly created in Turkey in the interest of a foreign Power or firm to be in derogation of the most-favoured-nation privileges to which the subjects of other nations are entitled in the Ottoman dominions.

* No. 21.

In the present instance, although British interests in the export of petroleum are not of very great magnitude, it is feared that unless some action is taken by Her Majesty's Government a precedent may be established, which would have injurious effects on the commerce of the United Kingdom as the foremost trading nation.

I have therefore to instruct you to make a representation to the Porte in this sense, protesting against the creation of the monopoly in question.

It would be desirable to obtain, if possible, the co-operation and support of your colleagues of the United States and other Powers in making this representation.

I am, &c.
(Signed) SALISBURY.

No. 23.

Foreign Office to Board of Trade.

Sir, *Foreign Office, June 20, 1896.*

WITH reference to your letter of the 9th instant, I am directed by the Secretary of State for Foreign Affairs to transmit to you, to be laid before the Board of Trade, the accompanying copy of a despatch, as marked in the margin,* respecting a reported Concession to a Russian Company of a petroleum monopoly in Turkey.

I am, &c.
(Signed) GEORGE N. CURZON.

No. 24.

Mr. Herbert to the Marquess of Salisbury.—(Received July 27.)

(No. 57. Commercial. Confidential.)

My Lord, *Therapia, July 21, 1896.*

WITH reference to your Lordship's despatch No. 38, Commercial, of the 17th ultimo, I have the honour to inclose copy of a note which I addressed to the Sublime Porte on the 10th instant protesting against the proposed creation of a petroleum monopoly in Turkey.

In accordance with your Lordship's instructions, I have sounded my colleagues as to whether they would support my representations, but they nearly all consider that they are bound by the promises made by their Delegates to the Porte when the negotiations for the various Commercial Treaties were being discussed, and that having once admitted the right of the Porte to establish a monopoly in petroleum, they cannot now consistently protest against it.

The United States' Minister, however, although he stated that he had no instructions from his Government to do so, has, at my request, addressed a note to the Porte on the subject, copy of which I have the honour to inclose herewith.

The Italian Ambassador also told me, confidentially, that although he could not protest against the proposed monopoly, he did not intend to give his consent to it until all the outstanding Italian claims against the Turkish Government, which I understand are very large, had been settled.

I have, &c.
(Signed) MICHAEL H. HERBERT.

Inclosure 1 in No. 24.

Mr. Herbert to Said Pasha.

M. le Ministre, *Therapia, July 10, 1896.*

HER Majesty's Government have reason to believe that the Imperial Government has recently been approached with a view to the creation of a monopoly for the importation of petroleum into Turkey, and the Concession of this monopoly to a foreign Company.

* No. 22.

Such a measure being, in the opinion of Her Majesty's Government, objectionable in principle, as creating a monopoly which will prevent or restrict the freedom of international trade, and being, moreover, in derogation of the most-favoured-nation privileges to which Her Majesty's subjects are entitled in the Ottoman dominions in virtue of the Capitulations.

I am instructed to protest against the creation of such a monopoly.

I avail, &c.
(Signed) MICHAEL H. HERBERT.

Inclosure 2 in No. 24.

Note Verbale.

THE United States' Legation has reason to believe that the Imperial Government of Turkey has been requested to concede to a foreign Company a monopoly for the importation of petroleum.

As such a monopoly would seriously affect an important branch of American industry, the United States' Legation protests against the adoption of any measure which, under cover of a monopoly to a foreign Company, would close the markets of Turkey to the introduction of American petroleum.

United States' Legation, Constantinople,
July 14, 1896.

No. 25.

The Marquess of Salisbury to Mr. Herbert.

(No. 46. Commercial.)

Sir, *Foreign Office, July* 31, 1896.

I HAVE received your despatch No. 57, Commercial and Confidential, of the 21st instant, on the subject of the proposed creation of a petroleum monopoly in Turkey, and I approve the terms of the note which you have addressed to the Sublime Porte protesting against the contemplated measure.

I am, &c.
(Signed) SALISBURY.

No. 26.

Mr. Herbert to the Marquess of Salisbury.—(Received August 17.)

(No. 68. Commercial.)

My Lord, *Therapia, August* 13, 1896.

THE local press recently stated that the French Embassy had resumed the negotiations for a Commercial Treaty with Turkey, but I am informed by M. de la Boulinière, French Chargé d'Affaires, that this is not the case. The Sublime Porte repeatedly requested M. Cambon, who left last Monday, to appoint Delegates to reopen the discussion, but he avoided doing so. At last, at the moment of his departure, and in order to get at least temporarily rid of the question, he authorized the French Consul to hear what the Porte had to say. The Consul had, however, no power to treat, negotiate, or take part in any Conference, and was merely to make notes of what was told him.

I received a message yesterday from Izzet Bey, the Sultan's Secretary, expressing the hope that England would come to the help of Turkey in her financial embarrassments, and hasten the conclusion of a Treaty of Commerce, and would also not oppose the establishment of monopolies. By these means alone could Turkey continue to meet her engagements and pay her expenses.

Izzet Bey stated at the same time that Anthopoulo Pasha had reported that your Lordship had sent me instructions on these subjects.

I have, &c.
(Signed) MICHAEL H. HERBERT.

No. 27.

Mr. Herbert to the Marquess of Salisbury.—(Received August 24.)

(No. 69. Commercial.)

My Lord, *Therapia, August* 20, 1896.

WITH reference to your Lordship's No. 31, Commercial, of the 18th May, I have the honour to transmit to your Lordship herewith copy of the answer which I have received from the Sublime Porte respecting the resumption of Treaty negotiations.

Mr. Wrench, Commercial Attaché to Her Majesty's Embassy, is drafting some observations on this note, which I shall not fail to forward to your Lordship as soon as I receive them.

I have, &c.
(Signed) MICHAEL H. HERBERT.

Inclosure in No. 27.

Tewfik Pasha to Mr. Herbert.

Le 11 *Août*, 1896.

M. le Chargé d'Affaires,

J'AI reçu la note que vous avez bien voulu m'adresser en date du 25 Mai dernier, relativement à la désignation des Délégués Britanniques pour la négociation du Traité de Commerce.

Dans cette communication vous déclarez que pour pouvoir demander des instructions à votre Gouvernement sur la désignation des Délégués vous avez besoin de connaître de quelle façon la Sublime Porte serait prête à satisfaire aux désirs du Gouvernement de Sa Majesté en ce qui concerne les points au sujet desquels il ne se considérerait pas comme justifié à faire d'autres concessions.

Un nouvel examen de ces points énumérés ci-dessous a permis à mon Département de vous faire immédiatement connaître sa réponse:—

1. Article II du projet arrêté entre les Délégués des deux Gouvernements à l'appui de la suppression des mots "les plus favorisés" du texte de cet Article, je n'ai qu'à me référer aux considérations précédemment émises à ce sujet et, donnant cette fois suite à la proposition antérieure des Délégués Ottomans, j'ai l'honneur de vous transmettre (Annexe No. 1) un projet de Déclaration destiné à dissiper tout doute dans le cas où le Gouvernement de Sa Majesté Britannique insisterait sur le maintien de ces mots.

2. Article III.—La question des taxes intérieures en général étant réglée par l'Article II signé *ad referendum* il y aurait lieu de compléter la rédaction de cette clause par l'énumération des Articles qui seraient éventuellement assujettis à des surtaxes ou taxes nouvelles, ainsi que cela a été fait avec les Délégués de tous les autres Gouvernements, le projet de Traité Turco-Britannique devant contenir naturellement le maximum des concessions faites jusqu'à présent.

3. Article IX.—A la suite de l'étude à laquelle ont été soumises à l'Administration Générale des Contributions Indirectes les propositions des Délégués Britanniques pour la réduction des droits d'entrepôt, des marchandises à bon marché, cette Administration fait observer que les facilités demandées amèneraient de la confusion dans la comptabilité et seraient d'ailleurs inapplicables puisque les marchandises dont les propriétaires auraient renoncé au moment de l'entreposage à la faculté d'ouvrir et de visiter les colis seront empilées les unes sur les autres, de sorte que si les dits propriétaires revenaient plus tard sur leur décision une simple visite de leurs colis donneraient lieu chaque fois à des déplacements et partant à des frais considérables.

Pour ce qui est de l'entreposage des articles lourds et à bon marché, l'Admini-

stration susmentionnée promet d'en réduire le prix le plus possible mais déclare ne pouvoir le fixer d'avance et d'une manière uniforme puisqu'il doit dépendre des frais de construction des entrepôts, des circonstances locales et autres.

4. Article X.—Tout en nous réservant de rendre plus explicites les termes de cet Article et de les conformer aux exigences du nouveau Tarif spécifique nous sommes obligés d'attendre la communication des légères modifications promises par l'Ambassade de Sa Majesté Britannique.

5. Article XIV.—Pour les raisons développées dans la précédente réponse de mon Département nous regrettons de ne pouvoir nous ranger à l'opinion du Gouvernement de Sa Majesté Britannique, qui veut subordonner l'établissement des taxes de tonnage, port, quai, &c., à un accord préalable entre les deux Gouvernements.

Abstraction faite du droit imprescriptible de la Sublime Porte à cet égard, nous jugeons que les termes "n'aura pour but que de rémunérer les services rendus, &c.," sont suffisants pour ôter à cette catégorie de taxes tout caractère fiscal lequel semble constituer l'unique appréhension du Gouvernement de Sa Majesté la Reine.

6. Il résulte de la réponse déjà donnée à l'Ambassade de Sa Majesté Britannique que l'accord sous ce rapport a été complet entre les Délégués des deux partis, ceux du Gouvernement de Sa Majesté ayant même souscrit sur une autorisation expresse de leur Gouvernement. Quoiqu'il en soit, comme l'accord subsiste toujours en ce qui concerne le principe énoncé dans cet Article, on pourrait s'entendre sur le réglement des droits qui seraient reconnus être acquis. Je serais heureux naturellement de conférer à ce sujet avec son Excellence l'Ambassadeur.

7. Article XVII.—La rédaction de cet Article ayant été arrêtée entre les Délégués des deux Gouvernements à une date postérieure à la communication y relative de l'Ambassade, nous croyons qu'il n'y a pas lieu de revenir à ce sujet d'autant plus que l'Article signé donne satisfaction dans la plus large mesure aux désiderata du Gouvernement de Sa Majesté Britannique.

8. Article XVIII.—A propos de cet Article nous croyons qu'à la suite de notre nouvelle proposition tendant à ajouter dans cette clause quelques monopoles encore, il y aurait nécessairement lieu de reprendre la discussion y relative.

9. Articles XXI et XXV.—L'Ambassade de Sa Majesté Britannique ayant déclaré dans sa précédente communication que ces Articles sont soumis à l'étude nous serions bien aises d'en connaître le résultat.

10. Article XXVII.—Bien que l'Ambassade de Sa Majesté la Reine nous ait communiqué un projet de rédaction pour cet Article, eu égard à son importance, je me ferai un devoir de m'entendre à ce sujet avec son Excellence l'Ambassadeur.

Telles sont, M. le Chargé d'Affaires, les considérations que nous suggère une étude nouvelle et approfondie des communications auxquelles fait allusion votre note responsive. En vous en faisant part, je suis persuadé qu'elles auront pour effet de ramener la question au point d'où elle a été malheureusement écartée depuis quelque temps.

Agréez, &c.
(Signé) TEWFIK.

Annexe.

Il est entendu que par les mots "les plus favorisés" insérés à l'Article II du Traité on ne pourra dans aucun cas faire bénéficier les Anglais établis en Turquie de certaines immunités spéciales dont jouissent depuis longtemps quelques anciennes familles privilegiées, ni de celle qui pourraient être accordées par Sa Majesté Impériale le Sultan à des particuliers.

No. 28.

Mr. Herbert to the Marquess of Salisbury.—(*Received August* 26.)

(No. 70. Commercial.)

My Lord, *Constantinople, August* 22, 1896.

WITH reference to my immediately preceding despatch, I have the honour to forward to your Lordship herewith copy of a Memorandum which I have received from Mr. Wrench, Commercial Attaché, containing his observations on the *note verbale* of the Sublime Porte respecting the renewal of Commercial Treaty negotiations.

I have, &c.
(Signed) MICHAEL H. HERBERT.

Inclosure in No. 28.

Memorandum on Note Verbale from Tewfik Pasha of August 11, 1896, *respecting resumption of Negotiations for a new Treaty of Commerce.*

AN examination of the points referred to in this note will show that the writer confines himself to the questions referred to in the late Sir W. White's Memorandum dated the 22nd September, 1891, and presented to the then Foreign Minister, Said Pasha. For Memorandum see p. 9 of Confidential Print No. 6284.

Tewfik Pasha ignores the result of negotiations subsequent to 1891, which modified very considerably the position.

The negotiations I refer to took place in June and October 1892 and April 1893, and have been so fully reported on, that a recapitulation of the points of divergence between Her Majesty's Government and the Sublime Porte would here be superfluous. Confidential Print No. 6284, pp. 31 to 45.

Suffice it to say, that the remarks of Tewfik Pasha are entirely out of date, and that when a reply to them is in preparation, I shall be happy to assist in drafting it, if required. Ibid., No. 6503, pp. 3 to 13.

It must be borne in mind that the predominating idea in now desiring a resumption of these negotiations is to secure our adhesion to the creation of monopolies on petroleum, spirits, matches, playing cards, and cigarette paper.

Selim Melhumé is believed to have persuaded the Palace that if the negotiations are intrusted to his direction, he will be able to increase largely the revenues of the State by inducing the Powers to acquiesce in the creation of these monopolies, and it is further believed that to secure his end he would grant large concessions on other questions.

It would therefore be essential to know whether Her Majesty's Government intend to oppose, under any circumstances, the creation of the monopolies, before resuming the discussion of the Treaty Articles.

(Signed) W. H. WRENCH.

Constantinople, August 21, 1896.

No. 29.

Memorandum by Mr. Barrington.

THE French Ambassador spoke to-day of the monopolies on the sale of various commodities, such as petroleum, alcohol, cigarette paper, &c., which the Porte was endeavouring to create with a view to raising money, and said he was instructed by his Government to inquire whether we had been approached on the subject. If so, they would be glad to know what attitude we proposed to adopt in our communications with the Turkish Government.

M. de Courcel might be given a Memorandum embodying an instruction to Mr. Herbert, especially those of the 17th June, No. 38, Commercial.

E. B.

Foreign Office, September 9, 1896.

No. 30.

Memorandum respecting Monopolies in Turkey.

HER Majesty's Government are aware that the Turkish Government are desirous to create monopolies on petroleum, spirits, matches, playing cards, and cigarette-paper, &c., and the matter has of late been more than once brought to the notice of Her Majesty's Embassy at Constantinople.

Her Majesty's Government are of opinion that all monopolies which prevent or restrict the freedom of international trade in commodities are objectionable in principle, and they consider any monopoly created in Turkey in the interest of a foreign Power or firm to be in derogation of the most-favoured-nation privileges to which the subjects of other nations are entitled in the Ottoman dominions.

Her Majesty's Government fear that, unless action is taken, some precedent may be established which would have injurious effects on the commerce of the United Kingdom, and Mr. Herbert was, therefore, recently instructed to make a representation to the Porte in the sense of the foregoing observations, and to endeavour to obtain the co-operation and support of his foreign colleagues in so doing.

Foreign Office, September 14, 1896.

No. 31.

The Marquess of Salisbury to Sir P. Currie.

(No. 58. Commercial.)

Sir, *Foreign Office, September* 15, 1896.

I HAVE received Mr. Herbert's despatches Nos. 68, 69, and 70, Commercial, of the 13th, 20th, and 22nd ultimo respectively, intimating the desire of the Sublime Porte to resume negotiations for the conclusion of a Commercial Treaty between Great Britain and Turkey.

I have carefully considered, in the light of Mr. Wrench's observations, Tewfik Pasha's note of the 11th ultimo, containing the formal reply of the Porte to the points to which attention was called in Mr. Herbert's note of the 25th May last.

I observe that this reply appears to lose sight of the more recent phrases of the negotiations, and I agree with Mr. Wrench that, at their present stage, it would be useless to resume the discussion of the Treaty Articles without arriving at a distinct understanding in regard to the question of monopolies, which appears to be the immediate object of the renewed anxiety displayed by the Porte in the matter.

The views of Her Majesty's Government in regard to monopolies were clearly stated in my despatch to Mr. Herbert No. 38, Commercial, of the 17th June last, and no sufficient reason has, so far as I am aware, been adduced for departing from them.

Your Excellency should therefore adhere to the attitude already adopted by Her Majesty's Embassy in the matter, and be guided by the views therein expressed. Meanwhile, I should wish to be kept informed of the progress of any negotiations on the subject between the Sublime Porte and other Powers.

I think it would be desirable that Mr. Wrench should draft and submit, as he suggests, a reply to Tewfik Pasha's note, and I have to request your Excellency to instruct him to do so.

I am, &c.
(Signed) SALISBURY.

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* Given to the French Ambassador, September 14, 1896.

No. 32.

Foreign Office to Board of Trade.

Foreign Office, September 18, 1896.

Sir,

WITH reference to previous correspondence, I am directed by the Secretary of State for Foreign Affairs to transmit to you, to be laid before the Board of Trade, the accompanying copies of correspondence, as marked in the margin,* respecting negotiations for a Commercial Treaty with Turkey.

I am, &c.
(Signed) GEORGE N. CURZON.

No. 33.

The Marquess of Salisbury to Sir P. Currie.

(No. 70. Commercial.)

Foreign Office, October 27, 1896.

Sir,

THE Turkish Ambassador called here on the 16th instant, and stated that he had received instructions from his Government to ask that a British Delegate might be appointed for the negotiation of a Commercial Treaty between Great Britain and Turkey.

It will be remembered that when in April and May last the Porte suggested the resumption of negotiations on the subject, Her Majesty's Embassy requested to be informed how far the Turkish Government were prepared to meet the objections of Her Majesty's Government on certain points in regard to which the negotiations had previously been interrupted, and on which the British negotiators could make no further concessions.

The reply of the Sublime Porte on these points was addressed to Her Majesty's Embassy on the 11th August. On the 22nd August Mr. Herbert forwarded to me in his despatch No. 70, Commercial, a Memorandum by the late Mr. Wrench, pointing out that this reply was irrelevant, and did not refer to the latest stage of the negotiations.

In my despatch No. 58, Commercial, of the 15th September, your Excellency was requested to instruct Mr. Wrench to draft, and submit, a reply to Tewfik Pasha's note of the 11th August.

I have since received no further communication from your Excellency on the subject.

I have informed the Turkish Ambassador that I am consulting you on the request which he has made to me, and I should wish to be favoured with your opinion as to what course should now be pursued in the matter.

I am, &c.
(Signed) SALISBURY.

No. 34.

The Marquess of Salisbury to Anthopoulo Pasha.

Foreign Office, October 26, 1896.

Your Excellency,

IN reply to the communication made by your Excellency on the 16th instant respecting the appointment of a British Delegate for the negotiation of the Commercial Treaty, I have the honour to inform your Excellency that I am in consultation with Her Majesty's Ambassador at Constantinople on the subject.

I have, &c.
(Signed) SALISBURY.

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* Nos. 26, 27, 28, and 31.

No. 35.

Sir P. Currie to the Marquess of Salisbury.—(*Received November* 19.)

(No. 87. Commercial.)

My Lord, *Therapia, November* 11, 1896.

IN reply to your Lordship's despatch No. 70, Commercial, of the 27th October, respecting the renewal of commercial negotiations with Turkey, I have the honour to report that, in accordance with the instructions contained in your Lordship's despatch No. 58, Commercial, of the 15th September, I requested the late Mr. Wrench to draft a reply to Tewfik Pasha's note of the 11th August.

It would appear that he had not time to prepare this document before his unexpected death, and, in the confusion which followed, the matter was for a time lost sight of. It is known, however, from his Memorandum of the 21st August, that he was of opinion that discussion was useless until the Sublime Porte could be induced to meet the views of Her Majesty's Government, and that he proposed to answer the note of Tewfik in this sense. I understand that your Lordship concurs in this view, and I have the honour to submit a note drafted on these lines, for your Lordship's approval.

Hassan Fehmy Pasha, Director-General of Customs, and Carathéodory Pasha, ex-Vali of Crete, and now First Translator to the Sultan, have been named as Ottoman Delegates. They are two of the ablest and most civilized officials in the Ottoman service, and their appointment shows that the Turkish Government are anxious to do all in their power to facilitate the conclusion of Commercial Treaties. It is therefore not improbable that further efforts will be made to come to an understanding with Her Majesty's Government on the points at issue.

For convenience of reference I may state that the negotiations of 1892 and 1893, to which I refer in my draft note, will be found described in the Confidential print marked 6284, pp. 31 to 45, and 6503, pp. 3 to 13. They are to a great extent political, and concerns such questions as the Capitulations, Cyprus, Bulgaria, and Egypt.

I have, &c.

(Signed) PHILIP CURRIE.

Inclosure in No. 35.

Draft of Note to Tewfik Pasha.

M. le Ministre, *Constantinople, November* , 1896.

I HAVE not failed to make a careful study of your Excellency's note No. 58 of the 11th August, addressed to Mr. Herbert, respecting the resumption of negotiations for the conclusion of a Commercial Treaty between Turkey and Great Britain.

It appears to me that your Excellency's observations are confined to the points raised by the late Sir W. White in a Memorandum presented to Saïd Pasha, then Minister for Foreign Affairs, and dated the 22nd September, 1891, and that they take no notice of the negotiations subsequent to 1891, which considerably modified the position. These negotiations took place in June and October 1892 and in April 1893, and are doubtless fully reported in the *procès-verbaux* of the Ottoman Delegates. Owing to the divergence of the views held by the Ottoman and British Delegates no understanding was arrived at, and on the 11th September, 1893, Sir A. Nicolson (then Her Majesty's Chargé d'Affaires), in replying to a note of Saïd Pasha, inquired whether any fresh instructions had been issued to the Ottoman Delegates which would give a reasonable hope of a satisfactory solution of the questions at issue. No answer was received to this inquiry.

As your Excellency's note under reply does not take any account of the negotiations in 1892 and 1893, it seems to me that the situation remains as it was when Sir A. Nicolson wrote the note above referred to, and that it would be useless to appoint British Delegates unless there is a greater probability than at present appears of finding a common basis for discussion.

I avail, &c.

No. 36.

The Marquess of Salisbury to Sir P. Currie.

(No. 79. Commercial.) *Foreign Office, November* 25, 1896.

Sir,

I HAVE received your Excellency's despatch No. 87, Commercial, of the 11th instant, respecting the renewal of commercial negotiations with Turkey, and I approve the terms of the note which you propose to address to the Turkish Government in reply to Tewfik Pasha's communication on the subject of the 11th August last.

I am, &c.

(Signed) SALISBURY.